

Common Sense

The official Islamic Party Newsreport

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Money grows on trees, but the banks take the harvest

We talk a lot about money in *Common Sense*, not because, like most, we haven't got enough of it, as we have got used to making do with little, but because in solving the money problem lies the key to resolving the greater part of the ills of modern society. This is not to say that all man-made problems are due to a lack of money. Often a lack of faith is the source of much evil in our lives, but for those who still believe the Qur'an to be true in its entirety, the forcefully expressed prohibition of usury and interest by a declaration of war from Allah and His messenger against those who persist in illicit usurious gain indicate that the attempt to establish a just economy is essential to the preservation of faith. Today's global society has become increasingly godless, and the unchecked exploitation of man by man is a clear symptom of this disease. As it has always been the task of believers throughout history to call to both faith and justice, the Islamic Party of Britain has made the attack against an unjust, interest-based monetary system a key element of its programme.

Readers of *Common Sense* are, therefore, familiar with many of the arguments in favour of a humane and equitable economic model. Issue nr. 2 of *Common Sense* had been entirely devoted to this subject, but has been out of print since long. This present issue is intended to be another compilation of valuable reference material for all those active in trying to convince others not only of the futility of the present finance system, but also of the viability of an Islamic alternative. Some of the earlier materials will be repeated, but a lot has been learnt over the years in the struggle to present the Islamic view to Muslims and non-Muslims alike. Too many Muslims are still totally oblivious

of the larger picture, too concerned with their own back gardens of cultural isolation, and too brainwashed by modern media-propaganda to sincerely believe that the alternative presented in the Qur'an can actually be applied to the workings of a modern economy. It is for this latter reason that it is necessary to include the wisdom of many a non-Muslim, from Abraham Lincoln to Napoleon and John F. Kennedy, to show that an interest-free economy is not only Islamic, but also makes sense, whereas the present-day arrangements, besides all their sophistication, can only be described as madness, from the dumping of edible food in the sea to maintain price levels, whilst

INSIDE THIS ISSUE

<i>Money grows on trees</i>	1
<i>Letter from the Leader</i>	4
<i>Middle East Quiz</i>	6
<i>Money without Debt</i>	7
<i>"Halal" Interest</i>	9
<i>Quotable Quotes</i>	13
<i>DIY Money</i>	15
<i>The Road to Serfdom</i>	17
<i>The Bradbury</i>	19
<i>Subscription Form</i>	20

millions of people in the world are starving, to the instability of money markets which can plummet whole regions into deprivation over night. Events like the devaluation of currencies in south-east Asia have provided sufficient a shock to make many Muslims re-think their hitherto blind following of the inherited wisdom of Western economic theory. Malaysian prime minister Dr. Muhammad Mahathir had the commendable courage to challenge the International Monetary Fund and its Guru George Soros. Even the chairman of the Dallah Al-Baraka Group, Sheikh Abdullah Saleh Kamil has had to admit that so-called Islamic Banking "carries many of the features of the conventional loans entailing interest and many of the disadvantages of the Western capitalist system". Quoted in the December issue of *Impact International* he goes on to say that we did not "cleanse our dealings of interest"

Continued on page 2, col. 1

continued from page 1

Money grows on trees

and "were not able to overcome the effects of the conventional banking system". According to the article, Islamic Banks had become zero-interest windows for collecting Halal money which was then channelled into the international banking system. To lure the skeptic Muslim customer, ordinary high street banks had also begun to open "halal windows in their haram palaces".

This admission is gratifying in that we had warned for years of the unacceptable nature of these Islamic banks and Islamic investment schemes, trying to sell the halal pork chop to unsuspecting customers. Many more of these pretended alternatives are being produced all the time, including off-shore trusts with exclusively non-Muslim directors but an attachment of Shariah-advisers to placate the fears of the Muslim clientele targeted by them for the benefit of large banking corporations. An article in *The Times* of 17th January entitled "No-interest loan has poor take-up" seems to suggest, however, that Muslims are no longer stupid enough to pay the extra percent for having their interest-based mortgage declared halal by an Arab bank posing as Islamic. Increasingly the crude instrument of *Murabaha* is seen for what it is, an attempt to extract interest by use of a contract which simply circumvents the restrictions placed on such usurious dealings by Islam by fulfilling the letter of the law in a roundabout way, but violating its spirit.

During a recent seminar, a Western scholar of economics and writer for the *Financial Times* and other papers, David Cowan presented a paper in which he spelt out what most Muslims active in the field of Islamic finance conveniently ignore, that "if Islamic bankers are merely acting piously for the wealthy clients, then this strikes one as being somewhat self-serving, not a serving of the community of a

duty of care to the community and God's earth. Looking around the Islamic banking scene I do not see too much evidence of Islamic bankers providing services to the blue collar or poorer sections of the community, except for the obligatory Zakat thrown in the right direction. When broached on the subject, Islamic bankers respond that it is not always economically viable, a critical mass is required before services can be filtered down to the lowest levels of society. I don't recall the prophet using the term 'critical mass' anywhere, but that aside, there is still the question of intent matching action. One supposes that this is a question for personal reflection on why one is an Islamic banker, and what good intention one has. ... Islamic banking is often reduced to a series of 'do's and don'ts', and Shariah boards are hired to making up such shopping lists, and each list is different, but who is examining the intent?" He says, that Shariah is applied to modern banking practices inadequately: "Islamic banking is not a pious veneer to cover Capitalist values. 'Where's the margin?' and 'What's the bottom line?' are not questions one hears being asked in the Qur'an or the hadith, but scratch away a little of the veneer of Islamic banking and I suggest that is what you will find."

It is a shame that it takes a non-Muslim to hold up the mirror and expose the self-righteous pretence of Muslims in stating that the scholar has no clothes! Muslim economists have consistently missed the point and served as Muslim Calvins in justifying the greed of their paymasters by permitting them to circumvent the prohibitions. Whilst the technicalities of Islamic banking are discussed at length in scholarly volumes, little attention is being paid to the issue of money creation. Again, it takes the effort of non-Muslims to point the way, and recently the Green Party has begun to discuss, and hopefully

take on board, recommendations to change our interest-based and fraudulent monetary system.

Money is man-made, and so are the problems connected with it. Except for the small change, it is made from paper and therefore produced at very little cost. As far as the paper pulp is concerned, money does grow on trees, and its supply is only limited by artificial reasons. Those who issue our money want to be paid for the privilege, and so they create the myth that if money was not kept artificially scarce, we would all suffer, when really the only harm that would come from an increased money supply is to their illegitimate harvest gained from people's needs. One would think that in a democratic society, the issue of the life-blood of our economy would be democratically controlled, yet the new government has elected to irresponsibly delegate all monetary decisions to the non-elected Bank of England, which really is a bank of the banks of England, not the people. It is there to bail banks out when they miscalculate, whereas ordinary folks wanting some tighter regulation of the money markets will be told of the free play of market forces. Banks have created the myths of merely lending depositors' money, but in the system of fractional reserve banking, these deposits only serve as a basis upon which they create credit, fictitious money, which represents no wealth and only exists because desperate borrowers are compelled to underwrite it with their promise of repayment at exorbitant rates. If the man in the street printed his own bank notes to pay for his purchases, he would be jailed, whereas a bank can freely issue money out of thin air to lend to him to pay for those very same purchases and demand even a fee for this macabre game of hocus-pocus. What is worse, governments, the representatives of the people, are forced to borrow those previously non-existent funds from the banks and forbidden to

Continued on page 3, col. 1

Continued from page 2

Money grows on trees

create their own. Imagine the Bank of England were permitted to do precisely that, issue the money supply of the nation as and when needed at zero interest. It would not need to profit from money creation, because the nation would profit from the uses the funds were put to. No longer would we have to hear of school and hospital closures, because the funds cannot be found. The question: where is the money going to come from? would be answered thus: the government will issue the funds necessary for any projects deemed desirable and feasible, and any surplus can be returned via taxation. Of course, money, in this case must not be hoarded nor traded, but simply fulfill the function of representing real wealth in goods and services, providing a means of exchange that is more easily quantifiable than a direct exchange via barter transactions. At present, however, local and national government will have to make ever more devastating savings in all areas of government spending to be able to continue to pay the crippling interest levied on the monies borrowed from banks which did, what the economists paid by them deny the government to do: issue it upon demand. The insanity of private credit creation has led to untold suffering of people at a time of fascinating technical advance. Previously unthinkable achievements have been made possible by technology, but are denied to us due to insane monetary restrictions. And so the short-comings of our civilisation are entirely man-made. God provides plenty, but man holds back. Power-greedy financiers and politicians will easily find the means to produce millions of pounds worth of destructive weapons to drop free of charge on top of innocent populations around the world, but refuse to find the means to alleviate totally unnecessary poverty at home and

abroad. In His wisdom, Allah has linked usury with war when describing the harm which comes from it, as it creates both the strife that leads people to confrontation as well as the economic conditions which rely on the conquest of new markets and the production of self-destroying goods to further a valve by which to let off some steam from a system which is always near collapse. The equation is easy: for someone to become rich without effort, someone else will have to pay.

If a banker issues a certain amount of credit, let's say a hundred pounds, but wants it back with interest at the end of the loan period, then the extra amount of interest which is paid on top of the original loan must be found from somewhere else, for the banker did not create that money. A manufacturer will have to raise prices, causing inflation, to be able to keep up with the interest demands on the original loan taken out to finance production. Consumers who have overborrowed to pay for the goods which were out of reach to them, will after some time no longer be able to afford as much as they were used to, as the burden of interest payments weighs them down. Consequently, some businesses will collapse for lack of sales, and the merchandise produced by them will find its way back in the economy as bankrupt stock, bringing some relief to the stretched capabilities of consumers and letting some pressure of this artificially troubled economy. Through bankruptcies, banks call in real wealth in exchange for the fake money they issued as loans. Thus the rich get richer, and the poor poorer.

This works on the global level, too, and soon the rich nations of the world, disproportionately exploiting the world's resources will see the need to protect themselves against the demands of the poorer nations through tight immigration controls, and more importantly, heavy defence budgets. Arms are a convenient way to get

governments into debt. They will borrow plenty of money but not spend it on an increase of living standards which would appease their populations. To create the need for arms provides the finance houses with real power of control over governments. Therefore, the fear and threat of war must be kept alive. If the same funds necessary for the production of arms were spent on the needs of people, people would prosper and not see the need to fight nor to borrow. That may sound like paradise, but is bad news for bankers who are parasites, not benefactors. The greed for wealth and the greed for power go hand in hand, and it is not surprising that the big finance houses, like the Rockefellers and the Rothschilds are the prime movers behind the drive for global government. Multi-national companies, like oil conglomerates, are already far more powerful than individual governments, and in their partisan interest, governments are bullied into doing what is good for business, not what is good for the people who elected them. Democracy has become a farce.

If humanity is to overcome the curse of poverty, crime and exploitation, the big war will have one day to be waged: the war of people against the banks. To rid the planet of war, to achieve peace and prosperity, the usurer's control over the world economy will have to be curbed. Islam has so far withstood attempts at secularisation and commercialisation. Notwithstanding the attempts of so-called Islamic banks, the rules forbidding interest have not been cancelled, and never will. Is it surprising then, that Islam has become enemy number one for those who dream of controlling the world? The day Muslims wake up to reality – or those who are awake discover Islam! – we might see the light of liberation from the shackles of modern slavery. The Islamic Party of Britain and its publication *Common Sense* intends to continue to encourage such an awakening.

A Letter from the Leader

Should we bomb Iraq?

After taking part in a live phone-in programme broadcast by BBC Radio Sheffield on Sunday the 9th of February, together Professor Gwynn Rowley (Lecturer in geopolitics at the University of Sheffield), the Rev. Clement John (The World Council of Churches, Geneva), and David Schoon (Solicitor for Amnesty International), the leader of the Islamic Party of Britain, David M. Pidcock, issued the following statement:

Professor Gwynn Rowley had replied to Radio Sheffield's question "How seriously are the Iraqis taking the American and British threats to use force": "Extremely seriously, because I think one has to see that the geopolitical context of this area is not defined by arms or by various chemical weapons. But by the United States position which is quite clearly stated elsewhere. Very, very briefly: the Carter Doctrine in the Middle East, there are three points to it. First of all the United States is primarily interested in the Gulf area in general that's the first thing. Secondly it will not let any power dominate that area. And thirdly if any power seeks to dominate that area the United States has the right to go in and essentially eradicate it. So once one knows the geopolitical context - and one understands that - the idea that Saddam Hussein is a bad person and he's got all these chemical weapons, is extra to that. The position is that the United States cannot allow any power to dominate that area, it is an area of prime geo-political concern."

Professor Rowley's comments confirm the well founded suspicions among seasoned observers that this is the continuing manifestation of the American Administrations 'population reduction programme' devised by the three horsemen of the apocalypse Bush, Scowcroft & Kissinger as a means of checking the growth of populations in areas of strategic geopolitical significance - or, as one of them callously remarked as a way of: "Getting rid of the useless eaters." In this par-

ticular case the "useless eaters" are Iraqi men, women and children both Christian and Muslim. For further clarification read the United States neo-Malthusian policy document NSSM 200 which calls for the reduction of populations by 'Economic means where possible by military means where necessary.'

The "Carter Doctrine" continues the British policy of "Strategic Denial." This is now a joint Anglo-American policy which explains Tony Blair's unequivocal support for Bill Clinton's action. The Carter Doctrine, strategically Denies other countries unfettered access to oil. This includes the inhabitants of the oil-bearing regions themselves. The policy was established by Admiral Jack Fisher in the latter half of the 19th century, once he discovered that British ships could travel much further on a bunker of oil than on a bunker of coal. Power still corrupts, and the power exercised through the private control of oil, like the private creation and control of money, corrupts absolutely the consciences of most, if not all, politicians who serve the aims and objectives of this truly Malodorous pair.

In his excellent article in *The Guardian: "The Weak Shall Inherit Nothing"* Monday the 25th of March 1991. Professor Noam Chomsky confirms that the central message of the White House [both then and now] on behalf of the New World Order, is one that Cecil Rhodes and subsequent Rhodes Scholars like Bill Clinton are compelled to echo: "We Are The Masters - You shine our

shoes." Chomsky states: "A truism about the New World Order is that it is economically tri-polar and militarily uni-polar. Recent events help one to understand the interplay of these factors. As the glorious "Turkey Shoot" began in the desert, the New York Times published a fragment of a national security review from the early days of the Bush Administration, dealing with "Third World Threats." It reads: "In cases where the U.S. confronts much weaker enemies, our challenge will not be simply to defeat them, but to defeat them decisively and rapidly." Any other outcome would be "embarrassing" and might "undercut political support" because "Much weaker enemies" pose only one threat to the United States "*the threat of Independence - always intolerable.*"

The United States, says Chomsky "Will support the most murderous tyrant (Saddam included) as long as he plays along, and will labour to overthrow "Third World Democrats if they (exceed or) depart from their service function. The documentary and historical records are clear on this score. (**Significantly**) The leaked fragment makes no reference to peaceful means. As understood on all sides, in its confrontations with Third World Threats the United States is "Politically Weak"; its demands are not likely to gain public support, so diplomacy is a dangerous exercise. (Therefore) a "much weaker" opponent must not

Continued on page 5, col. 1

Continued from page 4

A Letter from the Leader

merely be defeated but -“**Pulverised**” if the central lesson of World Order is to be learned: We are the masters, and you shine our shoes.”

With the benefit of hindsight, Chomsky, and access to good archives - particularly the July 14th 1980 edition of the *Newsweek*, (which contains a fully illustrated 4 page article on the Carter Doctrine entitled: “*A Big U.S. Build Up In The Gulf*”) we are able to establish that, among the 20th century’s ‘Faults of the Age’, political-hypocrisy is every bit as effective today as it was in earlier centuries, and just as adept at passing off its own particular vices as virtue.

The article states that: “When Jimmy Carter drew a firm strategic line around the Persian Gulf oil fields last January (1979) and warned the Kremlin not to cross it, his “Carter Doctrine” was so much bluff: America’s military assets in the region amounted to a trifling fraction of the Soviet power at hand. But since then, the Pentagon has been working flat out to build a U.S. strike force to defend the West’s oil sources...In the rocky flats of Nevada last week, 2,700 Air Force pilots and crew men put combat planes ranging from A-10 tank killers to F-15 superfighters through a gruelling desert shake-down. In Georgia twelve F-4E Phantoms, the classic Mideast warplane, got ready to fly to Egypt this week for three months of manoeuvres with an Egyptian sister squadron...The disparate units are among those from all four services that fit together under a novel concept for the Pentagon: a fast off-the-mark Rapid Deployment Force designed to beat the Soviets to any developing showdown in the oil-fields -

...To give its fledgling Rapid Deployment Force credibility for the future, the Carter Administra-

tion has budgeted \$10 billion to improve its reaction time over the next seven years...The Administration rejects any idea that its approach to the Middle East amounts to a lot of smoke and dash prompted by the exigencies of re-election politics. The key elements of U.S. policy, say spokesmen, are still to reduce U.S. dependence on imported oil and to make further diplomatic progress towards an Arab-Israeli peace...”

The admissions by John D Rockefeller in his “Reminiscences” that: “One of our (Standard Oil’s) greatest helpers has been the State Department in Washington” and that: “Our Ambassadors Ministers and Consuls have aided to push our way into new markets to the utmost corners of the world.” Provides further evidence to support Washington reporter Jack Anderson’s assertion in 1967 that: “..the State Department has often taken its policies out of the executive suites of the oil companies. When big-oil can’t get what it wants in foreign countries, the State Department tries to get it for them. In many countries, the American Embassies function virtually as branch offices for the oil combines...The State Department can be found almost always on the side of the ‘Seven Sisters’, as the oil giants are known inside the industry. Just as the Rockefellers make sure their capos are running “our” perennially disastrous foreign policy, you can bet your last devalued dollar that the Rockefeller Mafia controls the national and international money game. The Rockefellers have made the Treasury Department virtually a branch of the Chase Manhattan Bank.”

This runs counter to the views put forward by George “read my lips” Bush, who stated during the conflict that: the whole purpose of the Gulf War had nothing to do with oil. This wildcat Oilman, and former head of the CIA was well aware of the game being played out in the oilfields of Kuwait. Fur-

thermore, the 1990 December 17th edition of MEDNEWS the French, Middle East Defense News bi-weekly, carried the following information on its front page: “After an extensive investigation, conducted in Europe, Baghdad, and in the U.S., MedNews presents some astonishing facts. It was U.S., industry, with the explicit approval of the U.S., Department of Commerce (DoC), that provided some 40% of the high-tech content of Iraq’s most advanced weapons R & D center, Saad 16. One of the most shocking episodes of U.S. - Iraqi strategic cooperation involves a long series of export licences approved by the United States Department of Commerce, for sophisticated high-tech equipment that went directly to Iraq’s ballistic missile site, chemical weapons, and nuclear programs. Information obtained from the Commerce Department’s Bureau for Export Administration shows that the DoC was not acting out of ignorance when it approved the licences. On the contrary, the Iraqis exposed their intentions clearly in a series of letters and diagrams the DoC simply chose to ignore. The total number of licenses approved for dual use exports to Iraq has not yet been determined. A preliminary list subpoenaed by the House sub-committee on Consumer and Monetary Affairs contained 477 cases. A subsequent list, according to a December 4 Reuters report, contained 696. Between Oct. 1, 1986 and Aug 2, 1990, Commerce approved 494 licence applications valued at \$728 million. The Committee is now working on a fifth such list submitted to the Commerce Department. The most egregious case involves twenty DoC licenses for equipment that was shipped directly to Saad 16, Iraq’s principle ballistic missile and nuclear research facility (MD 3,12)’.

Pulverising the innocent people of Iraq for “errors of judgement” made by the United States

Continued on page 6, col. 1

Continued from page 5

A Letter from the Leader

Department of Commerce in backing their protégé Saddam is typical behaviour of both the British and American establishments - for they both serve the same bankers: As the saying goes: "No matter who you vote for, a man from Rothschild's or Warburg's gets in".

Saddam was brought to power by the same forces that brought Adolf Hitler to power in the 1930's, namely the Federal Reserve of New York and the Bank of England: Winston Churchill was going to hang its longest serving governor, Montagu Norman, for his part in it. Like Saddam, they built him up to knock him down and in so doing established the State of Israel. Every subsequent conflict has been used to expand the borders of Greater Israel which will, if the advocates of **World Government** succeed with Ben Gurion's vision, include the entire land mass between the

Nile and the Euphrates - represented by the two blue stripes above and below the hexagram on the national flag of Israel which, incidentally, includes the northern part of Saudi Arabia and the City of Medina. Not so surprising when you realise that the real Mount Sinai is located in Midian on the Saudi side of the Gulf of Aqaba. A word from the prophet Micha in the ears of those who favour creating a greater Zionist State through aerial bombardment for which read Aerial Sharron and Aerial Netanyahu: "heads of the house of Jacob and princes of the house of Israel that abhor judgement, and pervert all equity. They build Zion with blood and Jerusalem with iniquity." Micah iii 9-12.

With Rochefoucauld's description of hypocrisy clearly in mind ("L'hypocrisie est un hommage que le vice rend à la vertu" - *Hypocrisy is homage paid by vice to virtue*), we are compelled to ask the following questions of Mr. Robin Cook:-

Middle East Quiz

This pop quiz on the Middle East (answers may surprise you) was located in the Orlando Sentinel, February 8, 1998, by one of our members.

Question: Which country in the Middle East has nuclear weapons?

Answer: Israel.

Q: Which country in the Middle East refuses to sign the nuclear non-proliferation treaty and bars international inspections?

A: Israel.

Q: Which country in the Middle East seized the sovereign territory of other nations by military force and continues to occupy it in defiance of United Nations Security Council resolutions?

A: Israel.

Q: Which country in the Middle East routinely violates the international borders of another sovereign state with warplanes and artillery and naval gunfire?

A: Israel.

Q: What American ally in the Middle East has for years sent assassins into other countries to kill its political enemies (a practice sometimes called exporting terrorism)?

A: Israel.

Q: In which country in the Middle East have high-ranking military officers admitted publicly that unarmed prisoners of war were executed?

A: Israel.

Q: What country in the Middle East refuses to prosecute its soldiers who have acknowledged executing prisoners of war?

A: Israel.

Q: What country in the Middle East created 762,000 refugees and refuses to allow them to return to their homes, farms and businesses?

A: Israel.

Q: What country in the Middle East refuses to pay compensation to people whose land, bank accounts and businesses it confiscated?

A: Israel.

Q: In what country in the Middle East was a high-ranking United Nations diplomat assassinated?

A: Israel.

Q: In what country in the Middle East did the man who ordered the assassination of a high-ranking U.N. diplomat become prime minister?

A: Israel.

Q: What country in the Middle East blew up an American diplomatic facility in Egypt and at-

continued on page 7, col. 1

Continued from page 6

Middle East Quiz

tacked a U.S. ship in international waters, killing 33 and wounding 177 American sailors?

A: Israel.

Q: What country in the Middle East employed a spy, Jonathan Pollard, to steal classified documents and then gave some of them to the Soviet Union?

A: Israel.

Q: What country at first denied any official connection to Pollard, then voted to make him a citizen and has continuously demanded that the American president grant Pollard a full pardon?

A: Israel.

Q: What country on Planet Earth has the second most powerful lobby in the United States, according to a recent Fortune magazine survey of Washington insiders?

A: Israel.

Q: Which country in the Middle East is in defiance of 69 United Nations Security Council resolutions and has been protected from 29 more by U.S. vetoes?

A: Israel.

Q: What country is the United States threatening to bomb because U.N. Security Council resolutions must be obeyed?"

A: Iraq.

Q: Which is the only country in the Middle East to have the United Nations vote unanimously (150 to 1) against it, due to its poor record on human rights?

A: Israel

Q: Which is the only country in the Middle East (and the world) that has institutionalized torture openly, as approved by its Supreme Court?

A: Israel

Q: Which is the only country in the Middle East to have transformed a murderer who executed 39 innocent victims who were praying in their house of worship, into a cult hero, whose tomb many visit every day.

A: Israel

Q: Which is the only country in the Middle East which has taken armaments supplied and designed by the U.S. and sold them, to Iran and Red China, despite having vowed that they would not do so?

A: Israel

Q: Which is the only country in the Middle East which has taken advantage of an impending American military action to preserve freedom (Hungary, 1956) to attack a neighbor and seize its territory?

A: Israel

Q: Which is the only country in the Middle East that has received more than the equivalent of two complete Marshall Plans from the

United States and Germany and spends approximately one third of its budget on military activities used to attack its neighbors (despite maintaining a constant 30% deficit)?

A: Israel

Q: Which is the only country in the Middle East which openly subsidizes U.S. political campaigns of U.S. candidates, to promote its own interests in the United States?

A: Israel.

Q: Which is the only country in the Middle East which has prohibited the practice of other than the state religion?

A: Israel

Q: Which Middle East country has played havoc with the ecology of a fragile environment, re-routing the waters of the River Jordan with missiles, to alter its flow?

A: Israel

Q: Which Middle East country has begun every war it has been engaged in, according to speeches by its past prime ministers?

A: Israel

Q: Which Middle East country has elected several confessed murderers - thorough claiming to have acted in the "national interest" - as prime ministers?

A: Israel

Money without Debt

A case study in local currency: Woergl, Liverpool, The Channel Islands

based on an original article in Common Sense nr. 2

Money or more to the point the lack of it, undermines the whole structure and well-being of our society. Money or credit, like oxygen, performs the most vital function, and like oxygen should also come into existence free of charge to the community, to fund all Public Sector Borrowing Requirements (PSBR). The needs of the people in health care, education, environmental protection, social security, etc., could be funded in their entirety for the benefit of the whole society in-

terest free. Tory, Labour and the Liberals are arguing about different kinds of new taxes to help the banks collect their pound of flesh in essentially un-earned interest. Only the Islamic Party provides a real alternative. By proposing the issue of a local currency to pay for public expenditure we do away with the need to borrow from private lenders who usurp the right to issue credit which has to be rendered a function of elected government again. Public credit in the form

of local currency issues are not a new idea. To the contrary, there have been successful precedents, and only the monopoly power of the banks has prevented the public at large to benefit from those experiences. In 1932, in the midst of the great depression, the Austrian town of Woergl had managed in less than one year to a) revive its economy, b) reduce its unemployment by 26%,

continued on page 8, col. 1

Continued from page 7

Money without Debt

c) build new roads and a bridge, and d) restore self respect and civic pride overnight. Following the economic philosophy of Silvio Gesell, the town issued 5000 Free Shillings which were non interest bearing and subject to a services charge (Islamically Zakat). As the money did not pay interest, it could not be hoarded, and was therefore not withdrawn from circulation. As it was subject to a monthly devaluation, a kind of negative interest which was collected in the form of stamp duties which had to be glued to the back of the notes, everybody preferred the use of the Free Shillings and they circulated at a multiple speed of ordinary notes. Notes which did not carry a valid stamp duty were rendered worthless, and people even paid their taxes in advance to spend the money in their possession. The scheme was so successful that another 300 Austrian towns decided to follow suit, and it was then that the Austrian National Bank saw its monopoly threatened and prevented any further development of this episode of public credit creation through court action.

In 1793, Liverpool suffered from extreme cash flow problems (very much like today), and solved these by creating out of nothing by Act of Parliament some £300,000 of non-repayable money which was used for public works with great benefit to the city and its people. This issue of money by the Liverpool Corporation not only alleviated the immediate debt crisis, but also prevented the perpetuation of debt which would have burdened future generations, had the money been obtained from private lenders with the penalty of accumulating interest. As Liverpool managed to get an act of parliament passed permitting them to issue their own money instead of borrowing it from the banks, this example serves as an ideal precedent for any council wanting to

solve the current shortage of funds caused by the depression created through a policy of high interest rates. whilst most of Britain is mortgaged to the banks whose issue of money is backed up by no other wealth or guarantee but the future productivity of the British nation (a marvellous hat trick indeed, charging a nation for its own hard labour), parts of Britain have no VAT, no poll tax, no national debt, no local government debt, no death duties, no school closures, no money shortage, no financial famines and cash droughts, and to top it all, an income tax at only 20 pence in the pound after generous allowances:

The Channel Islands.

In 1815 Guernsey needed a new market hall, and built one by funding its construction out of government issued finance free of interest. By 1822 it was paid for and is still functioning in 1991. On the other hand in 1807, Glasgow built a market hall. In 1956 it was demolished while still on the books owing more than its original cost. Guernsey like the rest of Britain at that time, was particularly hard hit, and people were beginning to leave the island. Eventually a committee was appointed which examined the situation and came to the conclusion that further taxation was impossible. The alternative was to borrow money from the banks, but this would mean paying a high rate of interest which they could not afford, and even if they found the money the debt would still be there - like Glasgow 1807 to 1956, and still paying. Then somebody proposed that the states should avail themselves of their ancient prerogative and issue their own money. At first the proposal was turned down, but as they urgently needed £5,000 and only had £1,000 in hand, it was finally decided to issue £4,000 in one pound notes. The first creation of state money was so successful that it was soon followed by others. In all, the states issued £55,000 worth of notes which paid for the rebuilding of the market, the schools and

several other public buildings, widening the streets and building new roads and sewers. In 1827 the Bailiff, Daniel de Lisle Brock, was able to speak of "the improvements which are the admiration of visitors and which contribute so much to the joy, the health, and well-being of the inhabitants." Things had certainly improved since 1815.

In 1830 the banks launched a counter-attack and began to flood the islands with their own notes. The words which the Bailiff used when he addressed the states in 1836 are worth quoting: "No one has a right to arrogate to himself the power of circulating a private coinage on which he imprints for his own profit an arbitrary value. With these facts before our eyes we must realise the necessity of limiting the issue of paper money, to the needs and customs, and the benefit of the community in general. Permission cannot be granted to certain individuals to play with the wealth and prosperity of society." But apparently the states were unable to stop the banks issuing their notes, and eventually a compromise was reached. The states agreed to limit their own issue to £40,000, and it remained at that figure until 1914. After the first war this was increased to about £200,000.

These notes were issued free of interest, and it is significant that the great depression never troubled Guernsey; there was no unemployment and income tax was ten pence in the pound. Guernsey has wisely refused to surrender its right to issue the oxygen of money since 1690, and refused to join the EEC for that same reason. No individual or society can afford or endure never-ending debt, and while we can't all go and live in the British Channel Islands, there is absolutely nothing preventing us adopting the Channel Island's system of finance for Sheffield, Liverpool, Bradford, or Westminster. Nothing of course, except the yes-men and yes-

continued on page 9, col. 1

When bankers are interested in Muslims, interest becomes halal

New companies are formed all over the place to make Muslims part with their hard-earned money, and because Muslims are a conservative lot, interest is being presented to them in new halal packaging. Muhammad Rafiq closely examined one such enterprise, The Halal Mutual Investment Fund, in this guest contribution and states: **WE WON'T GET FOOLED AGAIN**

I am not quite old enough to remember clearly but I believe the above lyric was chanted out by Roger Daltrey, lead singer of the 1960's band The Who. I don't know what specifically he was referring to at the time but we can be quite sure that it was not money reform. However the sentiment is surely one which the

Muslim community believes is the case concerning the infamous BCCI issue. The old English saying, "once bitten, twice shy" is the order of the day. Most Muslims with cash to spare are on their guard. The last thing that they need now is a repeat performance.

However, this new concern and exercise of what is professionally known as "due diligence", has been to no avail. The "opponent" is back in business, and this time with a seal of approval solicited from a string of respected scholars representing nearly all the various schools of thought, from Dr. Suhaib Hasan,

to Yusuf Sacha, to Grand Ayaatullah Seestaani (fuller list given below).

Before describing the details of this latest incursion, I shall take this opportunity to make several quite important statements. Muslims argue and draw battle lines over comparative trivia such as the exact position of hands in prayer, the correct ablution etc. Muslims are tearing each other apart; they do not even need external enemies. In Ramadan this year some "Muslim" people in Pakistan entered into a Shiite Majlis and opened fire on unarmed men, women and children. What kind of fasting is this? We don't even need Israelis with this sort of behaviour! Move over Netanyahu, we got our own people to do your job now!

However, sincere Muslims will continue to enjoin the good and forbid the evil simply for the fact that Allah the More Generous will reward them, in spite of how their admonition is received. On this topic, it is relevant to give a quote about enjoining good and forbidding evil, in the hope that it will encourage more brothers and sisters to look within themselves and question whether or not they are being courageous enough. "... An 'escape' is used when it is hard to accept the fact; and to accept the responsibility is contrary to one's wishes and dreams. When 'fact' and 'justice' are only 'by-standers of life', many men will speak of 'justice' and 'human rights'. They may justify themselves by doing 'some good deeds' along with their daily routines, continuing their business and living their happy life with-

out disturbances! When 'fact' and 'justice' are 'concurrent with life', they are used as a capital, a tool, a fame, a rank, a job and a licence for living. People not only speak of justice, but consider themselves righteous and wish to serve others. But when 'truth clashes with one's daily life', then the supporter of the truth is going to be in trouble and in danger... He has to shoulder a very heavy responsibility, find his way through the dark and stormy night and face all the hazards and pitfalls. The farther he goes in this way, the fewer his companions become until he is left with few friends or none at all! He has to leave behind whatever and whoever is an obstacle in his way, especially those who live in the darkness of oppression and are used to it." (Hajj by Dr. A. Shariati, 1977).

As you read this page, a company, the directors of which who have been debated with, then protested against and eventually warned with exposure, has gone ahead in implementing an investment vehicle, which is claimed to be lawful for Muslims. In the UK, the vehicle being used is "The Halal Mutual Investment Company", which is incorporated in the Republic of Ireland as an investment company.

If this were a genuine attempt to provide a reasonably secure investment vehicle for Muslims, there would be many aspects of this business which would be doubtful to say the least, and probably unlawful, Islamically. However, this is not such a genuine attempt. It is a sophisticated ploy to fool Muslims into parting

Continued from page 8

Money without Debt

women who are elected on the condition that they do not raise this particular money issue. Rothschild said, he cared not who made the country's laws, so long as he issued the money, and after 300 years of financial serfdom to privately issued money, it is time to say, we've had more than enough. It requires nothing more but the political will. Ask your member of parliament why he lacks patriotism when it comes to financial matters.

continued on page 10, col. 1

Continued from page 9

Bankers' "Halal" Interest

with their money for what can only be described as a classic "suitcase and run" job.

To start with we have the word "Halal". I have severely remonstrated over the use of this word in the name of their business, and if they'd had the sense to drop it when I asked them to, then this article may well not even have seen the light of day. However, they are pretenders to the word Halal. Would you think that a company using the word Halal in its title would be run by Muslims? Yes, of course you would, and so would any normal Muslim. However, the directors of this business are all non-Muslims! This in itself is an outrage. How would the Jewish Board of Deputies react if some gentiles started up a kosher slaughterhouse?

This brings us to a true story told to me by a sincere brother. He ordered some chickens for a wedding that he was helping to organise, from a shop he had never been to before. Arriving at the butchers early, he saw what looked like the boss stood outside smoking a cigarette. Ignoring this man he went straight into the shop and found it was empty. However, looking through a doorway into a backroom he saw a young English lad reciting a very poor rendition of Arabic and cutting the necks of the chickens. He asked the lad if he was a Muslim and he said "no", stating that he was on a training scheme. The brother went back outside and asked the shopkeeper what was happening. The man replied that as far as he was concerned anyone could perform dhibh, providing they were shown the correct methodology. The brother in question, after failing to convince that only a Muslim can perform Islamic ritual slaughter, left anonymously and ordered his chickens again from elsewhere.

It should be clear from the above that when an object is not inherently Halal, but only be-

comes Halal as the result of an Islamic ritual, then the ritual itself must be performed by a Muslim. This then brings us to Mudarabah; the Islaamic "managed investment partnership". If two non-Muslims establish a "managed investment partnership" business, one party putting up the money and the other party running the business, this in itself would not be Mudarabah. Even if they met all possible Islamic conditions for Mudarabah, it would not be Mudarabah. Why not, you ask, since if two Muslims were conducting the same business it would be Mudarabah? The answer is both simple and obvious, (however apparently not so to many scholars): When two Muslims enter into a Mudarabah relationship, they are first and foremost entering into an act of worship.

If as a Muslim, you do not undertake your livelihood first and foremost as an act of worship, the sole reason for which we have been created, then you will have earned nothing on the Day of Rising. All of your rewards will have been material and you will already have received them by then. So the essential ingredient in an Islamic Mudarabah, in fact the single most essential ingredient, is that it is an act of worship. How then can a group of disbelievers in Islam have an intention, yes remember all actions are judged upon their intention, of an act of worship, i.e. Islamic Mudarabah?

In case, at this point, there is any confusion about stocks and shares etc., well the majority of the jurists are of the opinion that they are not Haram (providing the company itself is not engaged in unlawful products or services). However, they do not define the stocks and shares as Mudarabah, even though the company structures may be very similar in shape to Islamic Mudarabah.

Yet the Halal Mutual Investment Co call themselves Halal and then state that their business is a Mudarabah business, an Islamic investment management partnership, but not one of the di-

rectors is a Muslim! This is extremely misleading to say the least. In fact of the 36 questions sent out to prominent jurists not once is the issue raised of "whether non-Muslims can pose as Islamic Mudarabah directors thereby giving the impression to Muslims that they are joining an act of worship". However the scholars were only paid to answer 36 questions, not to evaluate the business itself. When the list of questions was sent out, it was enquired as to whether or not the fund (company) constituted an act of Dawah. Again, this is an act of worship, but even more importantly, do we believe that disbelievers in Islam can propagate Islam in the UK? At least four of the prominent jurists think it is Dawah. I suppose the scholars have to legalise the propagation of Islam in the UK by non-Muslims, since the total budget spent on this right of the British over their housed "guests" in the last 50 years, probably wouldn't cover the total cost of one week's Muslims' mortgage payments.

I could raise quite a few other such issues, but no doubt "Brother Furious of Falesteen" or "Brother Irate of Iran" will deluge complaints about the fact that "you've only been a Muslim for a few years!", "what do you know whitey?" or "you're not an 'alim (scholar), you're not allowed to pass fatwas!". The first two "recurring" intellectual arguments are not even worth debating. However, it is time that the third one is finally silenced.

It is a corruption of the word 'alim, some may even say bid'ah (innovation), since in itself it is not, and never has been, limited to any particular branch of knowledge. A very important point is where does a jurist go when he has to pass a ruling on a subject of which he has no knowledge? The answer is of course that he should ask someone who does know!

continued on page 11, col. 1

Continued from page 10

Bankers' "Halal" Interest

There is a tradition in the Sahih of Bukhari, related on the authority of Anas, that "one of the signs of the hour is that knowledge will be taken away". Further, on the subject of taking away knowledge we find in the Sahih of Muslim, in the Book of Knowledge (Kitab al 'Ilm) a set of traditions that state that knowledge is taken by removing scholars from the people. At this point the people will turn to ignorant people as their scholars and these ignorant scholars will pass religious verdicts on subjects of which they have no knowledge themselves. According to the traditions, the scholars will not only mislead themselves in this way, but **also those who follow them**. The implication of these traditions is that you, yes the individual you, should evaluate and judge, using your Allah given sense of discretion, the performance of any scholar whose guidance you take. (Yes, that may well involve study!)

Whilst digressing, on this overall issue of "qualified Muslims", I remember seeing Imam Siraj Wahaj, whose sincerity is beyond question, make a very interesting point. He stated that he had been invited by a major American University to lecture on Islamic Studies. There can be no doubt that he would have been an excellent candidate for the job. He stated that he felt more than adequate for the role and so he accepted the position. When the University powers discovered that the Imam did not have any qualifications in Islamic Studies, they rescinded the offer. As a result of all these goings on the Imam remarked that the prophet Muhammad, may Allah bless him and his family, was not qualified to teach Islamic Studies at an American University!

And now back to the main theme of calculated and professional deception. The questions numbered 25, 26 and 27 in the "fiqh questionnaire" raise the

most important issue. For now we will centralise around question 25, "Is it permissible for the Mudarib to insist on behalf of Mudarab that the buyer's obligation to pay be recorded by the mechanism of a Bill of Exchange?", as questions 26 and 27 pertain to the same Bill of Exchange. So the real issue is, as presented to the scholars, what is a "Bill of Exchange"? Every single one of the scholars polled replied in the affirmative. "Yes! It is permissible to write the deal down on a Bill of Exchange". Oh really? Then I will ask you again, what is a "Bill of Exchange"? Very recently I had the good fortune to meet with a very sincere brother who had completed a PhD in Economics, but he himself admitted that such financial instruments are not covered even at his level in economics. So once again, I ask, "What is a Bill of Exchange please?" Once again there is an eerie silence. Every single scholar polled said it was Halal to "write the deal down" on such a piece of paper. So what is this piece of paper?

The truth is they don't know. They don't know since you can't even find out about these instruments at the PhD level in economics. If they did know anything at all about these traded instruments they would know that they are not some forms of diary or ledger in which the histories of transactions are recorded. Far from it. They would know that Commercial or Trade Bills have been traded for many centuries and that Treasury Bills have been traded for over two hundred years. They would also know that they are a bearer bond and that after reaching maturity Treasury Bills are effectively the same as five-pound notes, but in much larger denominations.

Of course I could go on and on about these instruments but it would be pointless. The important thing is that, according to their prospectus dated 4th February 1997; the Halal Mutual Investment Company is authorised by the Central Bank of Ireland as

an Undertaking for Collective Investment in transferable Securities. Whoah! Hang on! We thought that you were buying and selling goods, which of course is what the "fiqh questionnaires" refer to, and that these pieces of paper, "Bills of Exchange", are some sort of diary. Yet, according to the "coversheet" of the prospectus the company is going to invest in securities, which begs the question: what type of securities? The answer to this question lies on page 4 of the same prospectus under "Key Features", referring of course to the key features of the investment business.

The second key feature listed states; "The principal investment objective is to obtain regular current income through the acquisition of a diversified portfolio of investment grade accepted Bills of Exchange in a manner consistent with Islamic Sharia." So there we have it. This entire business is all about investment in Bills of Exchange, and please note that there is no restriction specified as to the type of Bill, not that it is too important. Why is it not important? Simple. All Bills of Exchange are debt instruments!!! This means that the company is buying and selling debt, which is of course completely unlawful in Islam. More importantly these are discounted debt instruments, which means that they are Riba (usury) instruments. The main difference between a Bill and a Bond is that the former has a Discount Rate (and therefore an implied yield) and a bond has a Coupon Rate (and therefore an implied yield).

So all of these scholars, who should have consulted "someone who knows", have clearly all passed their fatwas without knowledge and in the process are cumulatively misleading many millions of Muslims, some of whom have already (in good faith) placed their money into this wicked deception. In order to try and warn the reader, who Allah

continued on page 12, col. 1

Continued from page 11

Bankers' "Halal" Interest

the Higher willing, will be fully aware of the traditions about the Muslims going the same way as the Jews and the Christians before them, I quote the following article "Usury - The Lenders Lament" from the Economist dated 25th December 1993 (p.108).

(The time frame for the following quote is the 14th century CE). "As trade grew, merchants needed more complex forms of credit, and theologians began to find ways to justify the payment of interest. These included financial contracts similar to those favoured by Islam, based on the idea of risk-sharing, in which the lender took interest only as payment for sharing in the risks of a trading venture." (Please note, the word "interest" in this sentence is deliberately there to mislead the reader since the contract referred to is Mudarabah. In Islam a Lender has absolute right to his/her principle sum back, but without any gain (including presents). This contrasts with "managed investment" as the investor risks losing all his/her capital investment but is entitled to a share in the profits. The Lender initiates a debt while an investor doesn't.) "Increasingly, theologians accepted transactions in which the interest element was barely disguised. The more important and controversial financial innovation in this respect was the Bill of Exchange - the instrument that was arguably the forerunner of modern banking. Because Bills were issued at a discount to the face value at which they were eventually redeemed, they appeared not to charge interest directly. Yet discounts varied to reflect different risks in effect, riskier borrowers paid higher rates of interest."

So there we have it. The scholars are letting the "opponent" in through exactly the same route used in Christianity. Needless to say the people buying the Bills in the 14th century were the Jews,

who of course happily lend on interest to Gentiles. No wonder Allah the Just cursed them!

There is a principle of Tauhid, which is called Rabubiyyah, i.e. Lordship. This principle is clear in that once Allah the One has defined the legal status of something, then to challenge the legal status is to challenge His Lordship. This is a form of Shirk and is unforgivable!

Interest is Haram. You can line up every scholar that has ever lived to tell me otherwise, you can create a million false scenarios and you can show me hadith till the cows come home, this fact cannot be altered. FACT: The Qur'an is the unchanging word of Allah the More Knowing. Since He does not feel His word needs to be changed, how dare these people who profess to be leaders of Islam, feel they have the right to abrogate and overrule this law? The Holy Qur'an is repeatedly clear on the issue of interest and goodly loans, with some 13 recommendations and prohibitions, however the absolute prohibition on alcohol occurs only once! Also remember that Allah the Avenger has not just prohibited Riba, he informs Muslims that He declares war upon them if they indulge in this crime.

Now let us deal with two very old lies:

1) "We cannot run a Riba free system in the current environment" - well the messenger, may peace be upon him and his family, did. In fact he introduced a Riba free policy into the midst of what historians describe as a "merchants republic" (meaning Makkah).

2) "Let's just deal in it now for the short term, until we can get out of it" - the Bank of England was started over 300 years ago on this principle and Christians have been campaigning for years to get rid of this institution. More importantly there is an old English saying "Necessity is the mother of invention". By removing the need to find an alternative the commu-

nity has failed to find an alternative and more importantly lacks the drive to find one.

The controversial part

Scholars

(As per the original list, as these are the ones who initially approved this scheme and enabled it to be marketed amongst the unsuspecting Muslims.)

Dr. S.M. Ad-Darsh
Advisory Panel

Dr. Abu Zar Mohammad Sayeed Chowdhury
Advisory Panel

Yusuf Sacha
Institute of Islamic
Jurisprudence, West Yorks

Nizam Yaquby
Library of Nizam Yaquby,
Bahrain

Dr. Suhaib Hasan
Islamic Shariah Council

Abu Sayed
(Principle Islamic College)
Islamic Shariah Council

M S Raza
Wembley

Mufti Mohammed Aslam
Islamic Shariah Council

Muhammed Z M Majdadi
Farashwi
Al-Jamia Al-Karimia,
Manchester

The company claims to have fatwas from the following three Shiite clerics:

Grand Ayatollah Seistani
Grand Ayatollah Rauhani
Grand Ayatollah Tabrizi

The company also claims to be able get a fatwa from Khamenei, "if need be".

(There is also evidence that some of the scholars (if not all) received payment for their services).

Quotable Quotes

From the Qur'an

Those who swallow usury cannot rise except as one whom Satan has prostrate by his touch. That is because they say, trading is only like usury; and Allah has allowed trading and forbidden usury. To whomsoever then the admonition has come from his Lord, then he desists, he shall have what has already passed, and his affair is in the hands of Allah; and whoever returns to it – these are the inmates of the fire; they shall abide in it.

Allah does not bless usury, and He causes charitable deeds to prosper, and Allah does not love any ungrateful sinner. Surely they who believe and do good deeds and keep up prayer and pay the Zakat, they shall have no fear, nor shall have they grieve. O you who believe, be careful of your duty to Allah and give up what remains due from usury, if you are believers. But if you do it not, then be apprised of war from Allah and His messenger, and if you repent, then you shall have your capital; neither shall you cause wrong nor suffer wrong. And if (the debtor) is in hardship, then let there be postponement until (he is in) ease, and that you remit it as alms is better for you, if you knew. And guard yourselves against a day in which you shall be returned to Allah; then every soul shall be paid back in full what it has earned, and they shall not be dealt with unjustly.

Surah al-Baqarah, verse 275-281.

Abraham Lincoln

Money is the creature of law and the creation of the original issue of money should be maintained as the exclusive monopoly of national Government.

Money possesses no value to the State other than that given to it by circulation.

Capital has its proper place and is entitled to every protection. The wages of men should be recognised in the structure of and in the social order as more important than the wages of money.

No duty is more imperative for the Government than the duty it owes the People to furnish them with a sound and uniform currency, and of regulating the circulation of the medium of exchange so that labour will be protected from a vicious currency, and commerce will be facilitated by cheap and safe exchanges.

The available supply of Gold and Silver being wholly inadequate to permit the issuance of coins of intrinsic value or paper currency convertible into coin in the volume required to serve the needs of the People, some other basis for the issue of currency must be developed, and some means other than that of convertibility into coin must be developed to prevent undue fluctuation in the value of paper currency or

any other substitute for money of intrinsic value that may come into use.

The monetary needs of increasing numbers of People advancing towards higher standards of living can and should be met by the Government. Such needs can be served by the issue of National Currency and Credit through the operation of a National Banking system. The circulation of a medium of exchange issued and backed by the Government can be properly regulated and redundancy of issue avoided by withdrawing from circulation such amounts as may be necessary by Taxation, Redeposit, and otherwise. Government has the power to regulate the currency and credit of the Nation.

Government should stand behind its currency and credit and the Bank deposits of the Nation. No individual should suffer a loss of money through depreciation or inflated currency or Bank bankruptcy.

Government possessing the power to create and issue currency and credit as money and enjoying the right to withdraw both currency and credit from circulation by Taxation and otherwise need not and should not borrow capital at interest as a

means of financing Governmental work and public enterprise. The Government should create, issue, and circulate all the currency and credit needed to satisfy the spending power of the Government and the buying power of the consumers. The privilege of creating and issuing money is not only the supreme prerogative of Government, but it is the Government's greatest creative opportunity.

By the adoption of these principles the long felt want for a uniform medium will be satisfied. The taxpayers will be saved immense sums of interest, discounts, and exchanges. The financing of all public enterprise, the maintenance of stable Government and ordered progress, and the conduct of the Treasury will become matters of practical administration. The people can and will be furnished with a currency as safe as their own Government. Money will cease to be master and become the servant of humanity. Democracy will rise superior to the money power.

Page 91 of Senate document 23

Thomas Jefferson

continued on page 14, col. 1

Continued from page 13

Quotable Quotes

I believe that banking institutions are more dangerous to our libertie sthan standing armies... The issuing power should be taken from the banks and restored to the people to whom it properly belongs.

John F. Kennedy

Executive Order 11,110

AMENDMENT OF EXECUTIVE ORDER NO. 10289 *, AS AMENDED, RELATING TO THE PERFORMANCE OF CERTAIN FUNCTIONS AFFECTING THE DEPARTMENT OF THE TREASURY

By virtue of the authority vested in me by section 301 of title 3 of the United States Code, it is ordered as follows:

Section 1. Executive Order No. 10289 of September 19, 1951, as amended, is hereby further amended-

(a) By adding at the end of paragraph 1 thereof the following subparagraph (j) :

"(j) The authority vested in the President by paragraph (b) of section 43 of the Act of May 12, 1933, as amended (31 U.S.C.821(b)), to issue silver certificates against any silver bullion, silver, or standard silver dollars in the Treasury not then held for redemption of any outstanding silver certificates, to prescribe the denomination of such silver certificates, and to coin standard silver dollars and subsidiary silver currency for their redemption," and-

(b) By revoking subparagraphs (b) and (c) of paragraph 2 thereof.

Sec. 2. The amendments made by this Order shall not affect any act done, or any right accruing or accrued or any suit or proceeding had or commenced in any civil or criminal cause prior to the date of this Order but all such liabilities shall continue and may be enforced as if said amendments had not been made.

The White House,
June 4. 1963.
*3 CFR,1949-1953 Comp.,
p.787 ; 16 F.R.9499

John Kenneth Galbraith

The study of money, above all other fields in economics, is the one in which complexity is used to disguise the truth or to evade the truth, not to reveal it. (p.5)

The process by which banks create money is so simple that the mind is repelled; where something so important is involved, a deeper mystery seems only decent. (p.18)

Money: From Whence it Came, and Where it Went.

Henry Ford

The youth who can solve the money question, will do more for the world than all the professional soldiers of history.

Mackenzie King (Canadian Prime Minister 1935)

Until the control of the issue of currency and credit is restored to government and recognized as its most conspicuous and sacred responsibility, all the talk of the sovereignty of Parliament and of democracy is idle and futile... Once a nation parts with control of its currency and credit, it matters not who makes the nation's laws... Usury once in control will wreck any nation.

Sir Josiah Stamp (governor of the Bank of England in the 1920s)

Banking was conceived in iniquity and born in sin... Bankers own the earth. Take it away from them but leave them the power to create money, and, with a flick of the pen, they will create enough money to buy it back again... Take this great power away from them and all the great fortunes like mine will disappear and they ought to disappear, for then this would be a better and a happier world to live in... But, if you want to be the slaves of the bankers and pay the cost of your own slavery, then let bankers continue to create money and control credit.

William Paterson (founder of the Bank of England)

The Bank (of England) hath the benefit of interest on all monies it creates out of nothing.

David Ricardo

The advantage would always be in favour of the issuers of paper; and as the state represents the people, the people would have saved the tax if they and not the banks had issued the million.

Thomas Edison

It is absurd to say that our country can issue thirty billion dollars in bonds but not thirty million dollars in currency. Both are promises to pay. But one fattens the usurers, and the other helps the people.

Anthony Nelson (in a letter for the Treasury on 22 Feb. 1993)

The Government can and does finance itself to a small extent by the issue of non-interest bearing money: this is the aggregate known as M0, the stock of which is currently £194 billion. The size of the stock of M0 is limited by the demand for this form of money. ... The money that banks create is either interest-bearing or renders some sort of service that costs banks money to provide.

Irving Fisher

If two parties, instead of being a bank and an individual, were an individual and an individual, they could not inflate the circulating medium by a loan transaction, for the simple reason that the lender could not lend what he didn't have, as banks can do... Only commercial banks and trust companies can lend money which they manufacture by lending it.

Napoleon Bonaparte

It is amazing that this monster interest has not devoured the whole of humanity, it would have done so long ago had not bankruptcy and revolution acted as counter-poisons.

DIY Money

based on an original article in Common Sense issue 16

There is a statement in the Qur'an which informs us that "Allah does not improve the condition of a people until they try to improve conditions for themselves". Or as the English say: "God helps those who help themselves."

For those who still doubt that it is up to individuals to try and help themselves, in order to establish - through practical means - an Islamic State, then Khidr's example to Musa, in Surah 18, The Cave, serves as a good example. His practical disabling of the boat to prevent its expropriation by a marauding king, the slaying of a tyrannical youth, and the rebuilding of a wall to preserve the inheritance of orphans, were all practical acts, done by a practical person in order to protect the faith of ordinary people. The loss of livelihood, leading to poverty, can, and does, sometimes lead to disbelief. In our attempts to engineer a practical return to trading without usury, in line with Islam's prohibition of interest (Riba), members of the Islamic Party of Britain, have faced the toughest opposition from 'Muslim' economists and 'Islamic' bankers, in areas of the Muslim world desperately in need of a halal monetary system, through which, it was hoped, that the Sharia could be seen to be working in the interests of ordinary people.

At the moment, we see the sanctioning of Islamic punishments devoid of Islamic Justice. The laws, concerning theft, for example, must first be applied to those in the society who cause the conditions in which people find the need to steal, or seek other illicit escapes from the inexorable, unbearable pressures of debt. Because, as Ali, the cousin of Allah's messenger, pointed out: "We withstood the weight of the Iron, the Stone and the Lash, but we could not endure the weight of debt." Understanding the destructive nature of poverty he also stated: "If poverty were a man I would kill him". If, therefore, Islamic

Justice was the basis of the punishments meted out in those countries - which outwardly profess to be guided by the Glorious Shariah - there would be few, dexterous, let alone, ambidextrous bankers around.

With the exception of the British Channel Islands, there is no country "Islamic" or otherwise, in which Monetary Reform is not desperately required. Although some local currencies have been introduced in many places around the world - independent of Central governments and the Basel Convention - to the best of our knowledge, at the time of this article going to press, we know of no genuine "Islamic" bank op-

erating anywhere in the world - and that includes the Central banks of Saudi Arabia and the Sudan. Would that we were wrong. But, until Muslim Economists conform to the instructions of the Qur'an, and/or, begin to recognise what many Non-Muslim Economists have come to understand - that interest-based banking and secular economics have a natural propensity to self-destruct - then there is little hope of breaking out of the stranglehold in which we currently find ourselves. Furthermore, despite the fact that war is an inevitable concomitant of interest and comes as a curse from Allah to all who give or receive it, there is little to show our willingness to modify this behaviour. But, unless we do, as Professor John Hotson predicts: "we can all look forward to - the Bosnification of the planet".

The list of noteworthy figures, who have sought to publicise the destructive propensities and inherent failures of interest based, fractional-reserve banking, along with other fraudulent aspects of Western economics, includes William Cobbett, Abraham Lincoln, Silvio Gesell, John Maynard Keynes, Karl Marx, John Kenneth Galbraith, Professor Frederick Soddy, Stephen Lea-

cock, etc.; the full list is very long indeed. Leacock, a professional Humorist and an Economist, summed up the situation admirably, when he stated: "Our studies consist only in the long-drawn proof of the futility of the search after knowledge effected by exposing the errors of the past Philosophy is the science which proves that we know nothing of the soul; Medicine is the science which tells us that we know nothing of the body; Political Economy is that which teaches us that we know nothing of the laws of wealth; and Theology is the critical history of those errors from which we deduce our ignorance of God. When I sit and warm my hands, as best I may, at the little heap of embers that is now Political Economy,

I cannot but contrast its dying glow with the vainglorious and triumphant science it once was." So, where, you may ask, do we go from here? It is often said that: "We get the government we deserve". That, if we are good our leaders are good, and if we are bad, they are likewise. If, such be the case, we must begin by educating ourselves and correcting our own bad or unwise practices first. The big Jihad, as ever, still lies within ourselves. The second step is to avoid re-

continued on page 16, col. 1

Continued from page 15

DIY Money

inventing the wheel. There are many, good, non-Islamic books and leaflets on the subject of interest and its consequences. And many groups in the world, already create money for themselves when they involve themselves in interest-free,

L.E.T.S (Local Exchange Trading Systems). These demon-

strate clearly

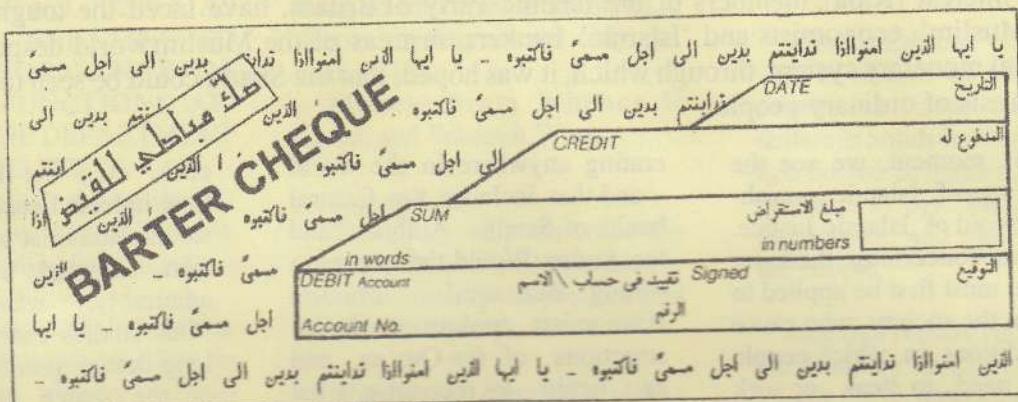
that money can be a useful servant - the role specified for it by Allah. In the second Surah of the Qur'an, entitled

Al-Baqarah, Verse 282, significantly the longest in the entire scripture, He spells out the warning to all those who claim to be believers. "O you who believe! When you deal with each other, in transactions involving Future obligations in a fixed period of time, reduce them to writing. Let a scribe write down faithfully as between the parties: Let not the scribe refuse to write: as Allah has taught him. So let him write. Let him who incurs the liability dictate, But let him fear Allah his Lord and not diminish anything of what he owes...and get two witnesses... The witnesses should not refuse when they are called on for evidence. Disdain not to reduce to writing (your contractual obligations) for a future period, whether it be small or large: it is more just in the sight of Allah, more suitable as evidence and more convenient to prevent doubts amongst yourselves..." The compatibility of Local Exchange Trading Systems and Verse 282 of Surah Al-Baqarah

is quite remarkable. For example, Allah informs us earlier, in verses 275-279 of the same chapter that, He permits trade but condemns outright - usury/interest/riba - in any shape or form. "Those who devour usury will not stand except as stands one whom Satan by his touch has driven to madness. That is because they say: "Trade is like usury", But Allah has permitted trade And forbidden

notes/cheques specifying amounts in monetary terms - which, in effect, commits the issuers of the cheques to redeem the face value of those cheques by providing either goods or services to anyone else involved in the LETS scheme. The original act of writing the sum agreed upon between the buyer and the seller amounts to having created a deposit of time/money. Money which is directly linked to

a specific commodity or service which must be provided or delivered upon demand either now or



usury... Allah will deprive Usury of ALL blessing... O you who believe! Fear Allah, and give up what remains of your demand for usury if you are indeed believers. If you do not (desist), Take notice of War from Allah and His Messenger." In the absence of any initiative from a first, second, or third world government to act in the best interests of its population, ordinary people began to recognise that while they had wealth to exchange they had insufficient money with which to carry out the transaction. This spawned a number of schemes. Foremost of which is L.E.T.S, which was established in the United Kingdom and became famous through its Stroud Pound. One of the prime movers was the Muslim convert Sandra Bruce, who, together with Maggie Mills, set up the Stroud Directory which now boasts several hundred participants, and offers a wide range of goods and services which can be barter-traded or exchanged for promissory

some time in the future.

For example. The classic case is that of Mrs. Smith, an elderly lady who has a leaking roof. She might be able to get Mr. Jones, the local builder, who she hears is short of work, to repair it for her in exchange for baby sitting his children at £2 per hour. The problem arises when the builder has no need of her services, in which case, the old lady has to wait until she can find a builder with whom she can barter her services. In the meantime the community is denied both of their wealth creating activities, and she has to continue living with a leaking roof. However, under a LETS scheme, they would both be able to benefit.

Under a LETS arrangement Mrs. Smith could call the same builder or any builder in the scheme, who would be able to undertake her roofing repairs and accept from her a cheque for the full amount. In this case 200 Stroud Pounds, which is

continued on page 17, col. 1

Forthcoming Book:

The Other Road to Serfdom

A history of the abuse of money

This book is the most comprehensive history yet of the private banking sector and its misuse of M0, the nation's currency comprised of notes and coins; our legal tender money which is issued interest free, on the back of which it creates 90% of the nation's total money-supply burdened with interest payments and escalating debt. It details not only the major events in our troubled history of economic cycles of boom and bust, but shows clearly what lay behind them as well as how the causes were explained away by economists hired to uphold a system designed to contain us in perpetual slavery.

As with previous generations, our children are not being educated, but conditioned to accept the unacceptable. The questions they are asked, and the answers they are allowed to submit, are based on classical nonsenses and false assumptions which have purposely been employed for the past 300 years to maintain the financial status quo.

We and our children are taught to accept, as a proven fact, that: "Economics is about the management of scarce resources." Students, however, are not told that

Continued from page 16

DIY Money

pegged at 1 Stroud Pound for 1 Sterling. This is the usual rate throughout the country. The builder then takes Mrs. Smith's cheque for 200 Stroud Pounds to the depository where it is recorded and credited to his account. Mrs. Smith's account is duly debited by the same amount. This means that Mrs. Smith is now committed to perform 100 hours of Babysitting at 2 Stroud Pounds per hour. The builder can now spend some of his money on getting his van serviced. He may have to pay sterling for parts but the service portion of the bill can be paid in LETS currency. There are now over 400 Local Exchange Trading Systems in the United Kingdom.

the resources in question are kept artificially scarce, and so fail to realise that the reason for farmers being paid for the non-production of food is linked to the same reason why bankers keep money in short supply – in order to maintain an artificial scarcity value.

Arthur Swan, the author of this in-depth study of money and monetary policy was a professional valuer of English porcelain. One of his friends, the famous TV antiques specialist, once said of him: "He is one of the few people I know who can tell you the price of a thing as well as its value." Arthur Swan wrote this book in response to Professor Hayek's book *The Road to Serfdom*. At the time, Hayek's writings seemed to skilfully demonstrate that Marxism – via socialism – was the only road to serfdom and in the eyes of the majority of those living in the relative freedom of a democratic state the vast prison camp of Soviet Russia and its subjected iron curtain countries seemed to confirm his analysis. In *The Road to Serfdom*, Hayek makes quite clear his conviction that nationalisation and any form of planning, economic or social, would destroy our democratic freedoms.

What this book *The Other Road to Serfdom* attempts to show is that unregulated capitalism is also a road to servitude. In a different way, and probably more so, George Orwell's *Animal Farm* and *1984* alerted the free world to the horrors of the Marxist

state, but with an all important difference. He did not claim that the forces of the free market would prevent this sort of catastrophe from curtailing the freedom of people here, and was deeply concerned that Hayek's beliefs would lead to a return to the conditions of slump and unemployment in which the seeds of communism could germinate.

With close to three million unemployed and millions more kept above the poverty line by a costly social security system in Britain and a similar story in most developed industrial countries, the Left is as convinced as ever of the 'evil of capitalism'. Most of us, as did Orwell, feel concern to a lesser or greater degree about the plight of the unemployed and the poor, but it does not make us Marxist-Socialist, far from it.

The tragedy, therefore, of 20th century politics, and more so since the end of the second world war has been the incalculable damage inflicted upon economic activities both nationally and internationally by the partisan interpretation of the meaning of 'capitalism'. Most men, whether they are drawn to the teachings of Karl Marx or to the faith of the free play of market-forces are, no doubt, sincere in their beliefs that their way is the rod to social justice, not the road to serfdom.

continued on page 18, col. 1

Continued from page 17

The Other Road to Serfdom

However, these opposing beliefs fail to convince the broad mass of the electorate as they instinctively feel that both these forces should be kept under control for the well-being of the nation. This long drawn out struggle between the 'haves' and the 'have-nots' has now entered a far more dangerous stage than the great monetary and economic disaster of the 1930's, and the forces that bedevil man's attempts to evolve a fair and just society are actually monetary, not economic.

Arthur Swan started his investigation into the causes of inflation and unemployment in the 30's and observed that every economic crisis in the last century followed a period of heavy lending. The flaw in the world's economic thinking is the desire of all nations to have a favourable balance of trade. It is a general, though false, assumption that foreign investment in itself is desirable. However, foreign investment means – in real terms – the export of real wealth (i.e., raw materials and manufactured goods) on credit; with the certainty that a large proportion of that exported wealth will be lost to the exporting nation, and that the receipt of payment of the balance must disorganise the trade of both the creditor and debtor nation.

There is no point in a country increasing its means of production if the producers of this increased wealth cannot consume it or export a portion of it to another country in exchange for the goods and raw materials they require, but cannot produce locally. This is the pivotal point of all economics and when we lost sight of this and allowed the credit-creators to gain control of the levers of power it was inevitable that instead of increased prosperity that our technical and mechanical means should have bestowed upon the nation at large, we have with us a problem

of unemployment and its attendant erosion of the moral fibre, increasing poverty, bad housing, the problem of increasing old-age and an over-stretched social security service. We lost sight of this cardinal principle when the nation allowed itself to be fooled into believing that to export was good business, and from the acceptance of this fallacy and on to the present day, in spite of slumps and booms and economic disasters, we are still urged to 'export or die'.

It is one of the incredible conundrums as to how this fallacy remains a tenet of faith when the sheer simplicity of what happens when a country exports on credit is understood. For if we state the case shorn of all the technical jargon of the economists and bankers the proposition we have is simply this: The nation produces real wealth, i.e. ships, planes, machinery of all sorts, raw materials and finished goods of great variety; the great proportion of which it consumes itself, the remainder of which is exported in exchange for raw materials and finished goods which should mean the real increase of wealth to the nation, but this is not so, simply because we cling to the myth that to export on credit is national Wealth when in fact what actually happens is we send real wealth – a steel-works say – to the Argentine, in exchange for bonds or securities subscribed to by the British investor, in other words the British

public have supplied the money to produce the steel mill for the Argentine and the attraction held out for the investor is a high rate of interest. But, here lies the nub of the fallacy of exporting on credit, in that the interest can only be paid by taking from the Argentine, in the main, wheat and meat which must be sold in Britain to the detriment of British farming.

This system has been put in place and consolidated on a global scale, and even the Sovereignty of Parliament is not allowed to question the monetary policy of the Treasury and the Bank of England. It is still, and always has been, a closed book.

Mr. Swan suffered personally for his challenging the powers that be. During the Second World War he was incarcerated under Regulation 18B - the Defence of the Realm Act - for pointing out that as the Bank of England was responsible for funding the rearmament of Germany and then, aided and abetted by the United States Federal Reserve System, were responsible for engineering the economic conditions which created six million unemployed "on whose backs Hitler climbed to power." Why was he, and the rest of the British people, then being asked to fight these self same Germans? He, together with a number of others, who understood the real situation, spent several years in prison for daring to

continued on page 19, col. 1

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Continued from page 18

The Other Road to Serfdom

hold beliefs different to those ordered by the British Banking Establishment.

He was a great admirer of John Maynard Keynes and defended his policy of deficit spending by endorsing the use of interest free money - such as the famous "Bradbury" issued by His Majesty's Treasury on the eve of World War I, which, in effect, extended "the aggregate known as (M0)", which prevented the collapse of the British Banking System and with it the British economy. However, because of his own bitter experiences, he knew that any genuine solution to resolve the world's economic tribulations - which would inevitably bring about "the euthanasia of the Rentier", that, as a result of such a move, the bankers would fight both tooth and nail to prevent such a possibility occurring.

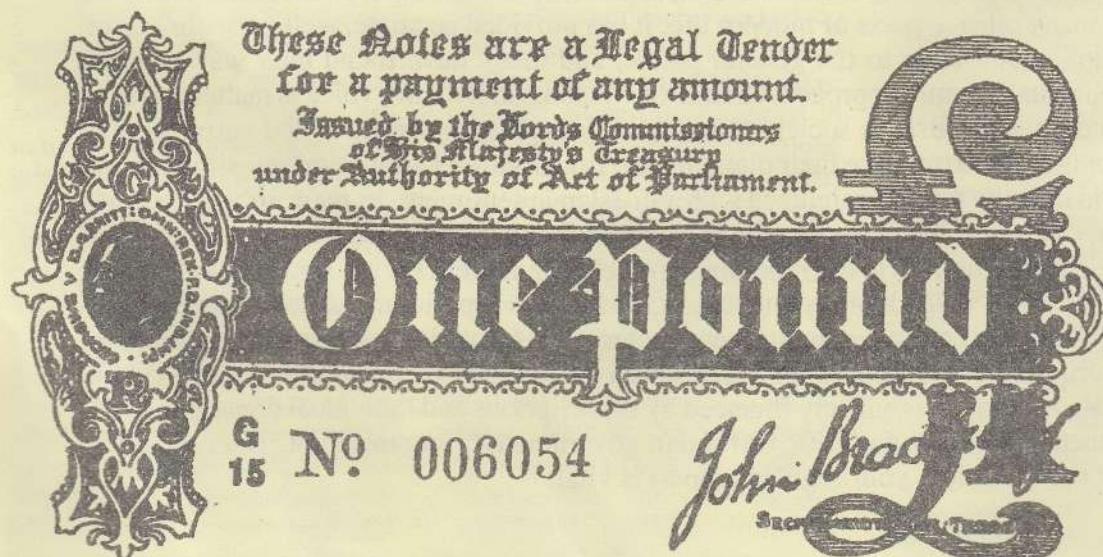
The Other Road to Serfdom was Arthur Swan's life-long work and saw its conclusion over half a century after it had begun, when Arthur Swan in discussions with Islamic Party leader David Musa Pidcock discovered the Islamic alternative and incorporated it into his opus. David Pidcock came into contact with Mr. Swan, in the mid 1980's, not long after

co-founding the National Association For Victims of Fraud & Banking Malpractice. By this time he was an octogenarian, and he held fairly strong nationalist views but was not, by any stretch of the imagination, racially prejudiced. He believed that displaced migrants only wanted to live in Britain because we in the West had spoiled the economics of the countries they belonged to, as a result of which, people were

forced to seek economic and political asylum here, and elsewhere, in the so-called "developed world". Sadly, he died before he could see the fruit of his tireless effort, but David Pidcock continued to get the book ready for publication, adding a comprehensive index which will make it a most valuable work of reference for any student of economics. The book is scheduled to be published later this year.

The Bradbury

The Bradbury pictured below is one of £500 million interest-free, debt-free treasury notes issued by David Lloyd-George in 1914 to rescue the banks. It provides proof that there is a perfectly safe, prudent and inflation-free alternative to raising revenue through the insane "tax and borrow" policies of every subsequent Labour and Conservative government. These treasury notes had validity until 1928 when the bankers had the notes removed from circulation. Like Lincoln's greenback dollar, they saved the nation the debt of compounding interest, but annoyed the bankers who, as merchants of debt, prosper when people have to tighten their belts. The irony is that sensible solutions are never tried at peace time, but there is always enough money when it comes to war. If parliament had the courage to challenge the monopoly of private finance institutions, they could, based on this precedent, issue the nation's money supply free of charge instead of borrowing it at punitive rates of interest from banks, whom they gave the right in the first place to issue their money out of nothing. The difference between treasury notes and bank notes is a simple one: the former are for the public good, the latter in the private interest. With governments being more worried about pleasing the bankers, levying ever heavier taxes to pay for the price of their borrowing, it is up to the people to demand sensible, common sense solutions so as to be freed from the shackles of usury.



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The Islamic Party of Britain began its work in 1989 with the purpose of encouraging public debate about the Islamic alternative. Being the very first national Islamic political organisation in the UK and the only Islamic political party in the non-Muslim Western world, it has helped Muslims to gain confidence in the political discussion, it has researched Islamic answers to contemporary issues and come up with convincing policies on economy, environment, health, education, social affairs, international relations, and many other aspects of modern life. It has provided accurate, well presented information about Islam to the general public, and many have found their way to Islam through its dynamic approach. Giving the Muslims in Britain a voice in matters relating to the future of British society features amongst the objectives of the party, as does helping them to improve their planning and organisation to improve their situation in a world ruled by forces prejudiced with anti-Islamic sentiment. Its main efforts are, however, directed at the majority of non-Muslims living in the West, who are to be offered practical alternatives to the mounting problems of modern society and need to be made to realise that as an ideology and way of life Islam is superior to the failed ideologies of capitalism and communism. Such encounter has to be public, and this, not the desire for minority representation, is the party's motivation when participating in local and national elections. It is entirely financed by subscriptions and individual donations and is independent of any domestic or foreign government or organisation. To continue its important mission, your regular support is vital.